



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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October 30, 1997

Clayton L. Landa  
Barrick Resources (USA) Incorporated  
Barrick Mercur Gold Mine  
P.O. Box 838  
Tooele, Utah 84074

Re: Request for Surety Reduction, Barrick Resources (USA), Inc. (Barrick), Barrick Mercur Mine, M/045/017, Tooele County, Utah

Dear Mr. Landa:

This letter is in response to Barrick's request for a reduction in the amount of reclamation surety received May 8, 1997. Barrick is requesting full release of those monies in the surety estimate for reclamation of the Sunrise Dump area. The Division's May 6, 1997 letter stated the surety reduction could not proceed until the reclamation cost estimate was revised to reflect the costs for a more conservative closure plan for Valley Fill Heap Leach #3. Barrick's June 26, 1997 letter included a copy of a May 23, 1997 DWQ letter approving the conceptual closure plan for Valley Fill Heap Leach #3.

The cover design in this conceptual closure plan calls for a three foot layer of subsoil with a permeability of  $1.0 \times 10^{-5}$  covered with a one foot layer of topsoil which would be revegetated. With DWQ's approval of the conceptual closure plan, the Division will not require a revised reclamation estimate for the closure of Valley Fill Leach Area #3. The cost for this revised cover design is included in Barrick's amended reclamation estimate included in the January 28, 1997 submission.

Barrick's request included a reclamation report describing the successful revegetation of the Sunrise Dump. On July 1, 1997, Division staff performed a site inspection which verified the revegetation success of the Sunrise Dump. Vegetation on the dump has now survived four growing seasons and meets (exceeds) the 70% revegetation performance standard.

The Division is in agreement with a full reclamation release for the 25 acre Sunrise Dump. This release will reduce the amount of reclamation surety required by the Division. The

**RECLAMATION ESTIMATE UPDATE**

Barrick Resources (USA) Incorporated

Barrick Mercur Gold Mine

M/045/017

Tooele County

Prepared by Utah State Division of Oil, Gas &amp; Mining

last revision

10/21/97

filename m45-17rl.wb2

**Reclamation Details**

- This estimate is in response to Barrick's May 2, 1997 request for release of the Sunrise Dump
- The Division is in agreement with full reclamation release of the Sunrise Dump area
- Line items used in this estimate are from Barrick's June 27, 1997 & May 2, 1997 submissions
- The current reclamation surety is a self-bond for a total of \$8,784,184 in year 2001 dollars
- Partial or full release of a self-bond agreement requires Board of Oil, Gas & Mining approval

<b><u>Item Description</u></b>	<b><u>Previous Estimate</u></b>	<b><u>Sunrise Reduction</u></b>	<b><u>New Estimate</u></b>
Pits	682,620		682,620
Waste Rock Disposal Areas	1,870,082	204,825	1,665,257
Facilities	180,157		180,157
Valley Fill Leach Areas	997,521		997,521
Tailing Impoundment	1,375,199		1,375,199
Haul Roads	381,820		381,820
General Disturbance Areas	526,411		526,411
Other Direct Costs	860,600	5,400	855,200
Subtotal	6,874,410	210,225	6,664,185
Mobilization @ 2.5% of subtotal			166,605
Subtotal			6,830,790
Contingency @ 10% of subtotal			683,079
Subtotal in 1997-\$			7,513,869
Escalation for 5 yrs @ 2.52%			995,681
Total			8,509,550

**Rounded Total in 2002-\$****\$8,509,500**